



OFFICE OF THE CLERK/TREASURER

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Voice (802) 865-7000

Fax (802) 865-7014

TTY (802) 865-7142

BOARD OF FINANCE TUESDAY, FEBRUARY 18, 2014

MINUTES

PRESENT: Mayor Weinberger; City Council President Shannon; Councilors Aubin, Bushor and Knodell; CAO Rusten

ALSO PRESENT: Councilors Ayres and Brennan; ACAO Goodwin; City Attorney Blackwood; Pat Buteau, DPW; Ryan Betcher, Airport; Martha Lang, Ward 1 Resident; Councilor Tracy (arrived at 5:25pm); Chapin Spencer, DPW (arrived at 5:25pm); Brian Pine, CEDO (arrived at 5:25pm); Pat Robbins, Burlington Telecom Advisory Board (arrived at 5:40pm); Thomas Melloni, Burak, Anderson, and Melloni (arrived at 5:40pm); Councilor Blais (arrived at 5:45pm)

1. Agenda

On a motion by City Council President Shannon and Councilor Knodell, the agenda was adopted unanimously as presented.

2. Public Forum

Martha Lang, Ward 1 Resident, spoke about the Burlington School District's proposed real estate transaction.

3. Approval of Board of Finance Minutes

a. February 3, 2014

On a motion by Councilors Bushor and Knodell, the minutes were approved unanimously as presented.

4. Authorization for Traffic Borrowing for Parking Facilities Assessment – DPW

Councilor Bushor stated the communication reads that the 2015 proposed budget will reduce the inter-department Traffic payment to Streets for snow removal by \$50,000. She finds this concerning with the snowy winter that they have had. Pat Buteau, DPW, stated in the past Traffic has made a transfer to Streets for snow removal. Over the course of fifteen budgets they have seen that number is too high. CAO Rusten stated Traffic has contributed more money than is justifiable for the services they have been receiving from Streets. They felt that reducing the number would result in a fairer amount to contribute to the Streets Department. This means that Traffic will have \$50,000 that they would not have to give to the Streets Department. Councilor Bushor stated that answers the question for this item, but she will want to know what they will do about that loss of revenue when they have snowy winters.

Councilor Knodell inquired what the \$150,000 will pay for. Mr. Buteau stated the money will be used to do an assessment of the parking garages and determine what immediate and long term

repairs that they need to do. Mayor Weinberger stated they want to do an emergency review to make sure there are no immediate safety issues.

Councilor Bushor and City Council President Shannon made a motion to approve the borrowing. The motion passed unanimously.

5. Authorization for Budget Amendment to Purchase Runway De-icer – Airport

City Council President Shannon and Councilor Aubin made a motion to approve the budget amendment.

Councilor Bushor stated that when people are moving money from one part of the budget to another she would like to know that the funds remaining leave that budget intact enough to accomplish the task that they are set aside for. She inquired if CAO Rusten reviews these items before they come to Board of Finance. CAO Rusten stated he does review items and would not have brought this forward if he had not felt comfortable with it.

The motion passed unanimously.

6. Authorization for Contract to Rebuild McNeil Electrostatic Precipitator - BED

Councilor Bushor and City Council President Shannon made a motion to authorize the contract. The motion passed unanimously.

CAO Rusten noted that in the packet, they included a resolution related to the governance of the City. Some of the language related to BED contracts and whether they should come to the Board of Finance was unclear. He would like to discuss this in the future. Councilor Bushor stated she believes they should discuss this further. CAO Rusten stated the resolution reads that the General Manager of BED has authority to sign contracts under \$100,000 for the duration of one year or less. It then says that contracts over \$100,000 and lasting longer than one year requires Board of Finance approval. This contract was for more than \$100,000 but lasts for less than one year. Councilor Bushor stated she believed that both thresholds were important for items to come to Board of Finance.

7. Authorization to Accept Bureau of Justice Assistance Grant to Purchase Bulletproof Vests – Police

Councilors Bushor and Knodell made a motion to authorize acceptance of the grant and recommend City Council approval.

Councilor Bushor stated she spoke with CAO Rusten before the meeting and requested revisions to the resolution to make it clearer.

City Council President Shannon inquired if this requires City Council approval. CAO Rusten stated it does because the grant requires a local match in FY15.

The motion passed unanimously.

8. Authorization for Extension of the Maturity Date of a BED Revenue Anticipation Note – C/T

Councilor Bushor and City Council President Shannon made a motion to authorize the extension of the maturity date.

Councilor Knodell and ACAO Goodwin discussed the terms of the Revenue Anticipation Note.

The motion passed unanimously.

9. Quarterly Budget Amendment Reports – Updated – C/T

CAO Rusten stated there was a concern about closing out a program. They had agreed that if they closed out a line, they would include that as part of the report. Councilor Bushor stated that satisfies her.

Councilor Bushor and City Council President Shannon made a motion to accept the communication and send a copy to the City Council. The motion passed unanimously.

10. Approval of Burlington Telecom Settlement with Citibank****A portion of this discussion may take place in Executive Session**

Mayor Weinberger stated they are seeking a recommendation for approval from this Board from the Burlington Telecom Settlement. The full Council has been invited to attend this meeting to create more of a working atmosphere. They will begin the discussion in open session to answer any questions related to the settlement, since they will be taking public action on this. Discussions related to bridge financing will take place in executive session, as premature release of details from ongoing negotiations may disadvantage the City.

City Council President Shannon stated there was a lot of information about the bridge financing that was shared publically at the BTAB meeting. She would like to hear guidelines about what can be shared publically. City Attorney Blackwood stated they can discuss the general terms and structure in open session but should not discuss specifics.

Councilor Bushor stated in the agreement there is a section that states that if they are not required to sell Burlington Telecom they will be required to get consent from Citibank and it cannot be unreasonably withheld or delayed. She inquired what that means. There could be a scenario where someone could provide them with money to finance the settlement without purchasing it. Mayor Weinberger stated this provision comes from the fact that the terms of the bridge financing are not finalized. Citibank was satisfied with the agreement overall. They have said if the financing changes and the bridge financing does not compel the City to sell Burlington Telecom, they want to have the ability to approve it, but they will not be unreasonable about providing the approval. Councilor Bushor inquired if this agreement would allow them to pay Citibank the amount they are due but in that process restructure in a way that the net proceeds would be zero. The agreement states they will share any proceeds with Citibank, but if there were no net proceeds from a restructuring, would Citibank be able to withhold approval. City Attorney Blackwood stated if the financing does not require Burlington to sell as part of the

financing, they would have to have a reason to withhold their approval. Councilor Bushor inquired if they would have fulfilled the spirit of the contract if they make their payment to Citibank. City Attorney Blackwood stated it depends on the scenario. Councilor Knodell stated they do not get to approve the bridge financing terms. Mayor Weinberger stated if they found a party that was willing to pay more than \$6 million, it would be a substantive change to the contract.

Councilor Knodell stated she believes this is a lease with a four year term that is collateralized by the assets of the system. There is an annual appropriation by the City Council to make the payment and then there will be a payment at the end of the entire principal. Mayor Weinberger stated there will be payments each year. It may be longer than four years.

On a motion by Councilor Knodell and City Council President Shannon, the Board voted unanimously to go into executive session at 5:40pm to discuss a contract that is under negotiation.

On a motion by City Council President Shannon and Councilor Knodell, the Board voted unanimously to go out of executive session at 6:15pm.

Councilor Aubin and City Council President Shannon made a motion to recommend City Council approval of the settlement. The motion passed unanimously.

Without objection, the Board of Finance meeting was adjourned at 6:16pm.

FOR INFORMATION PURPOSES ONLY

- **Communication: Martha Lang, Ward 1 Resident re: Wasteful School Spending**
- **Communication: FY15 General Fund Cost Drivers and Ways They are Addressed in the Budget – C/T**